

# **VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**

Meeting of the Board of Trustees

February 9, 2006

## **Members present:**

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006) – **arrived later in the meeting**

JEB SPAULDING, Vice-Chairperson, VT State Treasurer

WILLIAM HARKNESS, VSEA member (term expiring September 2007)

ROBERT HOOPER, VSEA member (term expiring September 2006)

LINDA McINTIRE, Commissioner of Human Resources

JAMES REARDON, Commissioner of Finance & Management

JOE HEALY, Retired Vermont State Employees' Association

DICK JOHANNESSEN, Governor's Delegate

## **Also attending:**

Cynthia L. Webster, Director of Retirement Operations

Mike McShane, Assistant Attorney General

ELIZABETH PEARCE, representing JEB SPAULDING, Vice-Chairperson, VT State Treasurer

Karl Kroner, Great-West Retirement Services

Donna Holden, Board Coordinator

The Vice-Chairperson, Jeb Spaulding, called the Thursday, February 9, 2006, meeting to order at 8:10 a.m., which was held in the 4<sup>th</sup> Floor Conference Room, 109 State Street, Montpelier, VT.

## **ITEM 1:      Approval of minutes for January 12, 2006**

**On a motion by Mr. Hooper seconded by Mr. Healy, the Board unanimously voted to approve the minutes of January 12, 2006, as submitted.**

## **ITEM 2:      Discuss/Act on Disability Retirements for:**

- ☐ **Peter G. Corliss**
- ☐ **Robert J. Dupaw**
- ☐ **Jonathan C. Smith**
- ☐ **Shawna M. Walker**
- ☐ **Bonnie LaGue**

**On a motion by Mr. Hooper seconded by Mr. Healy, the Board unanimously voted to approve the disability retirement for Peter G. Corliss, as recommended by the Medical Review Board.**

**On a motion by Mr. Reardon seconded by Mr. Johannesen, the Board unanimously voted to approve the disability retirement for Robert J. Dupaw, as recommended by the Medical Review Board.**

**On a motion by Mr. Healy seconded by Mr. Johannesen, the Board unanimously voted to approve the disability retirement for Jonathan C. Smith, as recommended by the Medical Review Board.**

**On a motion by Mr. Hooper seconded by Mr. Healy, the Board unanimously voted to approve the disability retirement for Shawna M. Walker, as recommended by the Medical Review Board.**

**On a motion by Mr. Hooper seconded by Mr. Healy, the Board unanimously voted to approve the continued disability retirement for Bonnie LaGue, as recommended by the Medical Review Board.**

*Mr. Whitney arrived during the next item. Mr. Spaulding stepped down as acting chairperson. Mr. Spaulding left the meeting and Ms. Pearce assumed the seat as designee.*

**ITEM 3:      Disability Process Discussion**

Mr. McShane reviewed and discussed recent events of a disability determination and appeal.

**On a motion by Mr. Reardon seconded by Mr. Healy, the Board unanimously voted to table matters relating to this item until the March 9, 2006, meeting, which would be held in-house.**

**ITEM 4:      VSEA Actuarial Estimate Request**

The Board reviewed and discussed the request submitted by Terry Macaig, on behalf of the VSEA Retirement Study Committee, seeking an actuarial estimate of the cost to provide the full CPI, up to a maximum of 5%, for retirees of Group F who retire after 7/1/06, with the understanding this would be an employee expense and there would be no cost to the State.

**On a motion by Mr. Healy seconded by Mr. Hooper, the Board unanimously voted to approve the actuarial estimate request from VSEA, as submitted.**

**ITEM 5:      Any Other Business to Be Brought Before the Board**

Mr. Whitney distributed PIMCO Global Asset Allocation information, and asked Board members to review for consideration as an option for \$457 participants. Mr. Whitney asked for the item to be added to the February 15, 2006, agenda.

Mr. Whitney will research the Bulletin 3.5 implications.

*Mr. Harkness left the meeting during the next item.  
Mr. Reardon left the meeting during the next item.*

**ITEM 6:      §457 Quarterly Report**

Karl Kroner appeared before the Board and provided the Q4/05 report, which included an asset balance of \$ 205.64 million with 5,867 (4,093 contributing) members, of which 5,458 (3,791 contributing) were State employees and 409 (302 contributing) were Municipal employees. The Plan's average per participant account balance was reported at \$35,050 with an average annual per member contributions of \$940.

By consensus, the Board delegated authority to the Treasurer's Office staff to work with Great-West on appropriate Web site language for the March 15, 2006, change in share classes for two funds, which was geared to benefit participants in both fees and performance. Board comments, edits, etc. should be forwarded to Mr. Minot by noon on Friday, February 10<sup>th</sup>.

*Mrs. McIntire left the meeting.*

Mr. Kroner also provided a brief Single Deposit Investment Account (SDIA) Plan summary and with the Board's permission Mr. Kroner also introduced information regarding a new suite of services available for §457 members. He distributed a book titled "REALITY*investing*", which described the management tools. The Board discussed the three tier program which offers 1.) Guidance, at no fee, 2.) Advise, at a participant fee of \$6.25 per quarter, and 3.) Managed Account services, on a participant sliding fee schedule.

The Board also briefly discussed the need to either amend the Plan Document regarding inactive account cash-out options, or prepare to provide Deemed IRA provisions for cash-outs of accounts between \$1,000 and \$5,000.

**On a motion by Mr. Hooper seconded by Mr. Healy, the Board unanimously voted to accept the Great-West quarterly report, as submitted.**

**Next Meeting Dates:**

The next scheduled monthly *conference call* meeting of the Board is March 9, 2006.

**Adjournment:**

**On a motion by Mr. Healy seconded by Mr. Johannesen, the Board unanimously voted to adjourn at 10:30 a.m.**

Respectfully submitted,

Donna Holden, Board Coordinator  
for  
Cynthia Webster, Secretary to the Board